

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of

Sandwich Isles Communications, Inc.

FCC 16-167 in WC Docket 10-90

To: The Commission

DECLARATION OF JEFFRY H. SMITH

The undersigned hereby declares and states as follows:

1. My name is Jeffry H. Smith and I am over the age of eighteen (18). I give this declaration based on my own knowledge and, if called, could testify competently to the facts attested to herein.

2. I am the Chief Executive Officer of GVNW Consulting, Inc. (“GVNW”). GVNW is one of the leading consulting firms in the country for rural telecommunications companies. GVNW represents more than 150 rural telephone companies in the United States, which are subject to the same accounting and reporting rules as SIC. GVNW is an independent, third-party consulting firm that assists telecommunications companies with regulatory compliance including, but not limited to, compliance with Universal Service Fund (“USF”) requirements and the Uniform System of Accounts (“USOA”) requirements prescribed by Part 32 of the Commission’s Rules.

3. GVNW has provided consulting services to SIC for the past approximately 20 years, including work related to compliance with certain FCC rules.

4. GVNW regularly communicates with the SIC personnel. In addition, GNVW personnel travel to Hawaii to meet with SIC personnel as needed, which is generally at least twice a year.

5. The cost studies for SIC, including the classification of lines allocated to Category 1 was done by GVNW pursuant to information provided by SIC (which information GVNW understood and understands to this day to be accurate and correct). The categorization done by GVNW was done pursuant to the same rules as each of GVNW's other telephone-company clients. The classifications were made in good faith and consistent with GVNW's understanding of all applicable rules.

6. With respect to USAC's conclusion that, "certain routes of cable were inappropriately allocated to Category 1", GVNW applied the same rules to categorize this cable investment as it uses for all of its clients, and the same rules that are accepted by USAC and the FCC when other rural telephone companies are examined.

I declare under penalty of perjury that the foregoing is true and correct. Executed on January 3, 2017.

s/Jeffry H. Smith
Jeffry H. Smith